



[4830-01-P]

Department of the Treasury

Internal Revenue Service

26 CFR Part 1

[TD 9865]

RIN 1545-BO64

Limitation on Deduction for Dividends Received From Certain Foreign Corporations and Amounts Eligible for Section 954 Look-Through Exception; Correcting Amendment

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendments.

SUMMARY: This document contains corrections to Treasury Decision 9865, which was published in the **Federal Register** for Tuesday, June 18, 2019. Treasury Decision 9865 contained temporary regulations under section 245A of the Internal Revenue Code (the “Code”) that limit the dividends received deduction available for certain dividends received from current or former controlled foreign corporations.

DATES: *Effective date.* These corrections are effective on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER] and applicable June 18, 2019.

FOR FURTHER INFORMATION CONTACT: Logan M. Kincheloe at (202) 317-6937 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The temporary regulations (TD 9865) that are the subject of this correction are under sections 245A, 954(c)(6), and 6038 of the Internal Revenue Code.

Need for Correction

As published June 18, 2019 (84 FR 28398), the temporary regulations (TD 9865; FR Doc. 2019-12442) contained errors that may prove misleading and therefore need to be corrected.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

PART 1—INCOME TAXES

Paragraph 1. The authority citation continues to read in part as follows:

Authority: 26 U.S.C. 7805 ***

§§1.245A-1T through 1.245A-4T [Reserved]

Par. 2. Reserved §§1.245A-1 through 1.245A-4 are revised to read §§1.245A-1T through 1.245A-4T [Reserved].

Par. 3. Section 1.245A-5T is amended by:

1. In the first sentence of paragraph (c)(3)(i)(B), removing “a SFC” and adding in its place “an SFC”.
2. Adding two sentences at the end of paragraph (c)(3)(iv).
3. In paragraphs (e)(3)(i)(C)(1) and (2), removing “required by paragraph (e)(3)(iv)” and adding in its place “described in paragraph (e)(3)(i)(D)”.
4. In paragraph (e)(3)(i)(D), removing “(e)(3)(iii)” and adding in its place “(e)(3)(i)(C)”.
5. In paragraph (e)(3)(ii), removing “amount with” and adding in its place “amount (or, with respect to a lower-tier CFC, a tiered extraordinary reduction amount under paragraph (f) of this section) with”.

The additions read as follows:

§1.245A-5T Limitation of section 245A deduction and section 954(c)(6) exception (temporary).

(c) ***

(3) ***

(iv) *** Specified property is also property with respect to which a loss was recognized during the disqualified period if the loss is properly allocable to income not described in section 951A(c)(2)(A)(i)(I) through (V) under the principles of section 954(b)(5) (specified loss). If only a portion of the loss recognized with respect to property during the disqualified period is specified loss, then a portion of the property is treated as specified property in an amount that bears the same ratio to the value of the property as the amount of specified loss bears to the total amount of loss recognized with respect to such property during the disqualified period.

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